

CRAVATH, SWAINE & MOORE

RECORDATION NO. 9347

Filed & Recorded

ONE CHASE MANHATTAN PLAZA

APR 27 1978 - 3 50 PM

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

INTERNATIONAL TELEX: 620976

TELETYPE: 710-581-0338

TELEX: 125547

RECORDATION NO. 9347 Filed & Recorded

APR 27 1978 - 3 50 PM

INTERSTATE COMMERCE COMMISSION

APR 27 1978

Date APR 27 1978
Fee \$ 200

RECORDATION NO. 9347 Filed & Recorded

APR 27 1978 - 3 50 PM Washington, D. C.

April 26, 1978

INTERSTATE COMMERCE COMMISSION
Illinois Central Gulf Railroad Company
Lease Financing of Railroad Equipment

Dear Sir:

Enclosed herewith for filing pursuant to Section 20c of the Interstate Commerce Act are execution copies of the following documents, each dated as of March 1, 1978:

(a) Hulk Purchase Agreement between:

Illinois Central Gulf Railroad Company - *Vendor*
(the "Railroad")
233 North Michigan Avenue
Chicago, Illinois 60601

and

The Connecticut Bank and Trust Company, - *Vandee*
as Trustee (the "Owner Trustee")
One Constitution Plaza
Hartford, Connecticut 06115;

(b) Rehabilitation Agreement between:

the Railroad - *Vendor*

and

the Owner Trustee; - *Vandee*

RECEIVED
APR 27 3 50 PM '78
CERTIFICATION UNIT

MAURICE T. MOORE
BRUCE BROMLEY
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. de KOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK

GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL

COUNSEL
ROSSELL L. GILPATRICK
JAMES E. NAW

L. R. BRESLIN, JR.
GEORGE B. TURNER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON

4, PLACE DE LA CONCORDE
75003 PARIS, FRANCE
TELEPHONE: 265-81-54
TELEX: 290330

33 THROMMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 01-600-421
TELEX: 881460

TABLE ADDRESSED
CRAVATH, N.Y.
CRAVATH, PARIS
CRAVATH, LONDON E. 2.2

RECORDATION NO. 9347 Filed & Recorded

APR 27 1978 - 3 50 PM

INTERSTATE COMMERCE COMMISSION

(c) Lease Agreement between:

the Railroad

Lessee

and

the Owner Trustee; and

- Lessor

(d) Trust Indenture and Mortgage between:

the Owner Trustee

- Trustee

and

First Security Bank of Utah, National Association,
as Indenture Trustee

79 South Main Street

Salt Lake City, Utah 84111 *- Trustee*

Please record one of the six enclosed copies of each enclosed document and stamp the other five copies and the copy of this letter enclosed herewith with the recordation data and return such copies to the delivering messenger who will wait. A check in the amount of \$200 is enclosed in payment of the applicable recording fee. The Equipment covered by the enclosed documents is listed on Schedule A attached to this letter.

Very truly yours,

Paul W. Voegeli

Paul W. Voegeli

The Acting Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

L

BY HAND

CARS

<u>Lessee's Car Numbers (Inclusive)</u>	<u>Lessee's Car Numbers (Inclusive)</u>	<u>Lessee's Car Numbers (Inclusive)</u>	<u>Lessee's Car Numbers (Inclusive)</u>
ICG 562332	ICG 562852	ICG 568745	ICG 592903
ICG 562338	ICG 562857	ICG 568752	ICG 592904
ICG 562355	ICG 562867	ICG 568755	ICG 592911
ICG 562360	ICG 562870	ICG 568782	ICG 592912
ICG 562391	ICG 562882	ICG 568787	ICG 592922
ICG 562396	ICG 562889	ICG 568798	ICG 592926
ICG 562418	ICG 562896	ICG 568838	ICG 592929
ICG 562420	ICG 562902	ICG 568854	ICG 592936
ICG 562423	ICG 562910	ICG 568868	ICG 592941
ICG 562428	ICG 568403	ICG 592703	ICG 592949
ICG 562429	ICG 568419	ICG 592718	ICG 592952
ICG 562440	ICG 568432	ICG 592720	ICG 592958
ICG 562478	ICG 568455	ICG 592721	ICG 592963
ICG 562497	ICG 568484	ICG 592726	ICG 592968
ICG 562526	ICG 568487	ICG 592728	ICG 592977
ICG 562530	ICG 568488	ICG 592730	ICG 592984
ICG 562533	ICG 568501	ICG 592732	ICG 592989
ICG 562567	ICG 568508	ICG 592734	ICG 592994
ICG 562575	ICG 568524	ICG 592756	ICG 592995
ICG 562587	ICG 568547	ICG 592758	
ICG 562595	ICG 568556	ICG 592759	
ICG 562613	ICG 568560	ICG 592761	
ICG 562624	ICG 568565	ICG 592762	
ICG 562655	ICG 568568	ICG 592763	
ICG 562660	ICG 568571	ICG 592772	
ICG 562680	ICG 568573	ICG 592776	
ICG 562681	ICG 568577	ICG 592782	
ICG 562701	ICG 568580	ICG 592783	
ICG 562709	ICG 568582	ICG 592802	
ICG 562710	ICG 568584	ICG 592808	
ICG 562711	ICG 568586	ICG 592809	
ICG 562722	ICG 568595	ICG 592821	
ICG 562730	ICG 568596	ICG 592822	
ICG 562775	ICG 568597	ICG 592844	
ICG 562798	ICG 568611	ICG 592853	
ICG 562801	ICG 568625	ICG 592857	
ICG 562808	ICG 568683	ICG 592859	
ICG 562809	ICG 568719	ICG 592879	
ICG 562811	ICG 568736	ICG 592887	
ICG 562830	ICG 568742	ICG 592888	
ICG 562835			

Interstate Commerce Commission
Washington, D.C. 20423

4/27/78

OFFICE OF THE SECRETARY

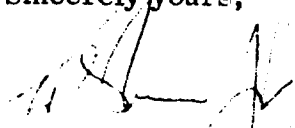
Paul W. Voegeli
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on **4/27/78** at **3:50pm**,

and assigned recordation number(s) **9347, 9347-A, 9347-B & 9347-C, &**
Sincerely yours, 9291-B


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

9347/A
RECORDATION NO. _____

Filed & Recorded

APR 27 1978 -3 50 PM

INTERSTATE COMMERCE COMMISSION

REHABILITATION AGREEMENT

dated as of March 1, 1978

between

ILLINOIS CENTRAL GULF RAILROAD COMPANY

and

THE CONNECTICUT BANK AND TRUST COMPANY,
not in its individual capacity, but solely
as Owner Trustee under a Trust Agreement
dated as of March 1, 1978,
with ITT INDUSTRIAL CREDIT COMPANY

REHABILITATION AGREEMENT dated as of March 1, 1978, between ILLINOIS CENTRAL GULF RAILROAD COMPANY (hereinafter called the Contractor) and THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation (hereinafter called the Company), not in its individual capacity but solely as Owner Trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with ITT INDUSTRIAL CREDIT COMPANY (hereinafter called the Owner).

WHEREAS the Company has acquired or will acquire right, title and interest in certain units of used railroad equipment (hereinafter called the Hulks), generally described in Schedule A hereto, and more specifically described in the Bills of Sale relating thereto, delivered or to be delivered pursuant to a Hulk Purchase Agreement dated as of March 1, 1978 (hereinafter called the Hulk Purchase Agreement);

WHEREAS the Company desires to rehabilitate the Hulks from materials acquired and owned by the Company or to be purchased by the Contractor (as an independent contractor acting on behalf of the Company) and owned by the Company, and with materials, labor and other services to be paid for by the Company to the Contractor in accordance with the terms and subject to the conditions set forth herein, such Hulks as so rehabilitated and at all stages during the rehabilitation thereof (the rehabilitated equipment being hereinafter called the Equipment) to be the property of the Company;

WHEREAS the Company intends to lease the Equipment to the Contractor as lessee (hereinafter sometimes referred to as the Lessee) pursuant to a Lease Agreement dated as of March 1, 1978, substantially in the form of Annex B to the Hulk Purchase Agreement (hereinafter called the Lease); and

WHEREAS the Company has requested the Contractor to rehabilitate the Hulks into units of the Equipment in accordance with the specifications set forth in Schedule B hereto, title thereto and to all materials heretofore and hereafter used in connection therewith to remain in the Company throughout the period of rehabilitation and thereafter, and the Contractor desires to perform such work for the Company;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

ARTICLE 1. Rehabilitation of the Hulks. Subject to the terms and conditions hereinafter set forth, the Contractor, as an independent contractor, agrees to rehabilitate the Hulks for the Company as its property and agrees to deliver the Equipment as hereinbelow provided, and the Company agrees that it will pay the Contractor the Rehabilitation Cost (as hereinafter defined) of the Equipment, each Hulk of which will be rehabilitated in accordance with the specifications referred to in Schedule B hereto and in accordance with such modifications thereof as may have been agreed upon in writing by the Contractor and the Company (which specifications and modifications, if any, are hereinafter called the Specifications) and will, at or before delivery thereof to the Company or its duly appointed representative pursuant to Article 2 hereof, have the following ownership markings stencilled on each side thereof in a conspicuous place in letters not less than one inch in height:

"OWNED BY A BANK OR TRUST COMPANY, AS TRUSTEE,
UNDER A TRUST AGREEMENT AND SUBJECT TO A
LEASE AND SECURITY AGREEMENT FILED
UNDER THE INTERSTATE COMMERCE
ACT, SECTION 20c"

The Contractor agrees that the design, quality and component parts of the Equipment will conform, on the date of completion of rehabilitation thereof, to all Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to the Equipment; provided, however, that if any such requirements, specifications or standards shall have been promulgated or amended after the respective dates on which the Equipment was ordered, the Rehabilitation Cost (as hereinafter defined) of the Equipment affected thereby may be appropriately adjusted by written agreement of the Contractor and the Company.

The Contractor agrees that in the rehabilitation of the Hulks there shall be used exclusively articles, supplies, materials and parts (hereinafter collectively called materials) acquired and owned by the Company and furnished to the Contractor as an independent contractor acting on behalf of the Company.

The Company hereby authorizes the Contractor to act for the Company in the purchase, for the account of the Company, of all materials necessary in the rehabilitation of the Hulks, and the Contractor, as an independent contractor, agrees to enter into appropriate contracts, at the lowest practicable prices, with the sellers of materials necessary for the rehabilitation of the Hulks, the cost of such materials to be part of the Rehabilitation Cost (as herein-after defined). Complete legal title to such materials, free and clear of any liens, claims or charges of any nature whatsoever, shall be vested in the Company prior to the delivery to the Company for acceptance of any unit of Equipment of which such materials shall be a part. Every contract for the purchase of such materials shall be entered into by the Contractor as an independent contractor and shall expressly recite that the purchase is for the Company and that title to the materials upon purchase shall be vested directly and solely in the Company. The Company agrees that all title to and property in the materials purchased for the rehabilitation of the Hulks shall be vested in the Company free and clear of all liens, charges and other encumbrances of any other kind and nature, whether of the Contractor or others, and, except as specifically provided herein, the Contractor hereby specifically waives any right it has or may have to claim any lien or charge for any purpose whatsoever upon the Hulks or upon any materials used in the rehabilitation thereof.

ARTICLE 2. Delivery. The Contractor will deliver the Equipment to the Company, freight charges, if any, prepaid, at such point or points within the United States of America as shall be determined by the mutual agreement of the Contractor and the Company and in accordance with the delivery schedule set forth in Schedule C hereto; provided, however, that no unit of Equipment shall be delivered under this Agreement until the Lease shall have been filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

The Contractor represents and warrants that, at the time of delivery, the Equipment will be railroad equipment free and clear of all liens, claims or charges of any nature whatsoever, other than those arising from acts of the Company (such acts not to include any acts of the Contractor acting on behalf of the Company), arising from acts of the Contractor and that no amortization or depreciation will have been claimed by any person with respect thereto.

The Contractor's obligation as to time of delivery is subject to delays resulting from causes beyond the Contractor's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, labor shortages, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities or delays in receiving necessary materials or delays of carriers or subcontractors.

Notwithstanding the preceding provisions of this Article 2, the Contractor shall not commence rehabilitation on any Hulk which cannot be rehabilitated and accepted hereunder on or before August 31, 1978. Any such Hulk, and any other Hulk that for any reason is not in fact rehabilitated and accepted by the Lessee under the Lease on or before August 31, 1978, shall be excluded from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion, the Contractor and the Company shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom, and the Company shall have no further obligation or liability in respect of such Hulks so excluded.

The Equipment shall be subject to inspection and approval prior to delivery by an officer of the Lessee designated by the Company as its authorized representative for such purpose, and the Contractor shall grant to any such representative reasonable access to its plant. From time to time upon the completion of the rehabilitation of each unit or a number of units of Equipment, each such unit shall thereupon be presented to an authorized representative of the Company for inspection at the Contractor's plant and, if each such unit conforms to the Specifications and the other requirements, specifications and standards set forth or referred to in Article 1 hereof, such authorized representative shall promptly execute and deliver to the Contractor, in such number of counterparts or copies as may be reasonably requested, a certificate of acceptance in the form of Exhibit B to the Lease (hereinafter called a Certificate of Acceptance) stating that such unit or units have been inspected and accepted on behalf of the Company and are marked in accordance with Article 1 hereof; provided, however, that the Contractor shall not thereby be relieved of its warranty and indemnities contained in Articles 5 and 6 hereof; provided, further, however, that the Company shall have no obligation to accept any unit of Equipment unless the Lessee has simultaneously accepted such unit under the Lease pursuant to Section 6 thereof.

On acceptance of each of the units of Equipment, pursuant to this Article 2 on behalf of the Company as aforesaid, the Company assumes with respect thereto the responsibility and risk of loss or damage. Prior to such acceptance, the Contractor shall have responsibility for and bear risk of loss of or damage to the units of Equipment.

ARTICLE 3. Cost of Rehabilitation. The aggregate cost of rehabilitation of the Equipment is set forth in Schedule C hereto. Such cost is subject to such increase or decrease as may be or has been agreed to by the Contractor and the Company. The term "Rehabilitation Cost" as used herein shall mean the cost or costs as so increased or decreased. The term "Cost of the Equipment" for any unit of Equipment shall be deemed to constitute the Rehabilitation Cost and the Hulk Purchase Price (as defined in the Hulk Purchase Agreement) of such unit.

The Equipment shall be delivered and settled for on one or more Closing Dates, on or prior to August 31, 1978, fixed as hereinafter provided (the Equipment being settled for on a Closing Date being hereinafter called a Group); provided, however, that each Group other than the Group for which settlement shall be made on the final Closing Date shall contain at least 10 units of Equipment. Subject to the provisions of Article 4 hereof, the Company hereby promises to pay or cause to be paid, in immediately available funds to the Contractor, at such place in Chicago, Illinois, or New York, New York, as the Contractor may designate, on the Closing Date with respect to a Group, an amount equal to the Rehabilitation Cost of all units of Equipment in such Group as set forth in the invoices therefor; provided, however, that at no time shall the aggregate Rehabilitation Cost theretofore paid to the Contractor plus the Rehabilitation Cost which is required to be paid on such Closing Date exceed \$2,593,080.

The term "Closing Date" with respect to a Group of Equipment shall mean each date specified by the Contractor for settlement of a Group of Equipment, in a written notice to the Company specifying the Rehabilitation Cost of such Group.

The Contractor shall not commence rehabilitation on any Hulk, the Rehabilitation Cost of which, when added to the aggregate Rehabilitation Cost for all Hulks on which the rehabilitation has previously been completed or commenced would, but for the provisions of this sentence, exceed \$2,593,080 (hereinafter called the Maximum Rehabilitation Cost) or such higher amount as the Company may at its option agree to prior to delivery of any unit of Equipment that,

but for such agreement, would otherwise be excluded from this Agreement. Any such Hulk shall be excluded from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion, the Contractor and the Company shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded herefrom, and the Company shall have no further obligation or liability in respect of such Hulks so excluded.

ARTICLE 4. Conditions to Obligations of the Company; Additional Documents to be Provided by the Contractor.

(a) The obligation of the Company to pay the Contractor the Rehabilitation Cost for any unit of Equipment is subject to (1) satisfaction of the conditions set forth in Sections 2 and 3 of the Hulk Purchase Agreement on or prior to the date specified therein and (2) receipt by the Company on or before, but not more than 10 days before, the first Hulk Payment Date (as defined in the Hulk Purchase Agreement) of the following:

(i) an opinion of counsel for the Contractor, dated such date, to the effect that:

(A) this Agreement has been duly authorized, executed and delivered by the Contractor, and constitutes a legal, valid, binding and enforceable agreement of the Contractor;

(B) the Contractor has the full corporate power, authority and legal right to enter into and perform its obligations under this Agreement, and the execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Contractor, does not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of the Contractor, or such required approvals and consents have heretofore been duly obtained;

(C) the Contractor is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business and in good standing in all other jurisdictions in which the business, properties and activities of the Contractor require such qualification;

(D) neither the execution and delivery of this Agreement nor the consummation of the trans-

actions herein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the certificate of incorporation (as amended) or the by-laws (as amended) of the Contractor or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder;

(E) neither the execution and delivery by the Contractor of this Agreement nor the consummation of the transactions herein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality or arbitrator;

(F) no mortgage, deed of trust, claim, lien, security interest or other encumbrance of any nature whatsoever which now covers or affects any property or interest therein of the Contractor now attaches or hereafter will attach to any unit of Equipment or in any manner affects or will affect adversely the right, title and interest of the Company therein;

(G) neither the execution and delivery by the Contractor of this Agreement, nor the consummation of any of the transactions by the Contractor contemplated hereby requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of, the Interstate Commerce Commission or any other Federal, state, foreign or other governmental authority or agency;

(H) to the knowledge of such counsel, there are no pending or threatened actions or proceedings before any court, arbitrator, administrative agency or governmental body which will materially adversely affect the condition, business or operations of the Contractor or the ability of the

Contractor to perform its obligations under this Agreement.

(ii) A certificate of an officer of the Contractor, dated as of such date, to the effect that the Contractor is not in default under, and to his knowledge there is no event which with the passage of time would place the Contractor in default under, this Agreement, and to the further effect that the representations and warranties of the Contractor contained in Article 11 of this Agreement are true and correct as of the date of such certificate with the same effect as if made on such date.

In addition to the foregoing conditions, the Contractor shall not commence rehabilitation of any unit of Equipment hereunder subsequent to, and the Company shall have no obligation to pay the Rehabilitation Cost of any unit of Equipment the rehabilitation of which has not commenced prior to, receipt of a written notice from the Company notifying the Contractor of (i) the occurrence of any Event of Default, as defined in the Lease, or event which with lapse of time and/or demand, could constitute such an Event of Default and (ii) the material falseness of any of the representations and warranties of the Contractor made by it in Article 11 of this Agreement at and as of the time such representations and warranties were so made.

(b) Although not conditions to the obligations of the Company hereunder, on or prior to each Closing Date with respect to the Group of Equipment for which settlement is then being made the Contractor shall provide to the Company the following documents with respect to the units of Equipment being settled for on such Closing Date:

(A) an opinion of counsel for the Contractor, dated such Closing Date, to the effect that at the time of delivery to the Company of such units of Equipment, title to such units was free from all claims, liens, security interests and other encumbrances of the Contractor or of any one claiming through the Contractor;

(B) a statement from the Contractor to the Company warranting to the Company that, at the time of delivery of such units of Equipment, title to such units was free of all claims, liens, security interests and other encumbrances of the Contractor or of anyone claiming through the Contractor; and covenanting to defend the title to such units against demands of all

persons whomsoever based on claims of the Contractor or anyone claiming through the Contractor;

(C) a Certificate or Certificates of Acceptance with respect to such units of Equipment as contemplated by Article 2 hereof and Section 5 of the Lease; and

(D) an invoice of the Contractor for such units of Equipment accompanied by or having endorsed thereon a certification by the Company as to its approval thereof.

ARTICLE 5. Contractor's Warranty of Materials and Workmanship. The Contractor warrants that the units of Equipment will be rehabilitated in accordance with the Specifications and with the other requirements, specifications and standards set forth or referred to in Article 1 above and warrants that the Equipment will be free from defects in material and workmanship or design under normal use and service for a period of one year from the date of delivery thereof.

The Contractor further agrees that neither the inspection as provided in Article 2 of this Agreement, nor any examination or acceptance of any units of Equipment as provided in said Article 2, shall be deemed a waiver or modification by the Company of any of its rights under this Article or Article 6.

ARTICLE 6. Indemnities. The Contractor agrees to indemnify, protect and hold harmless the Company from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent, trademark and copyright liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement or the ordering, acquisition, ownership, rehabilitation, assembly or delivery of any unit of Equipment or any material utilized in connection therewith or any accident in connection therewith resulting in damage to property or injury or death to any person or any breach of warranty relating thereto. The indemnities arising under this Article shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the expiration or other termination of this Agreement.

ARTICLE 7. Notice. Any notice hereunder to the party designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Company, at One Constitution Plaza, Hartford, Connecticut 06115, attention of Corporate Trust Department, with a copy to ITEL Corporation, Leasing Division, One Embarcadero Center, San Francisco, California 94111, attention of Contract Administration; and

(b) to the Contractor, at 233 North Michigan Avenue, Chicago, Illinois 60601, attention of Treasurer,

or such other addresses as may have been furnished in writing by such party to the other party to this Agreement.

ARTICLE 8. Assignments by the Contractor. All or any of the rights, benefits or advantages of the Contractor under this Agreement, including the right to receive the Rehabilitation Cost of all units of Equipment, may be assigned by the Contractor and reassigned by any assignee at any time or from time to time; provided, however, that no such assignment shall subject any such assignee to, or relieve the Contractor from, any of the Contractor's warranties, indemnities or other obligations contained in this Agreement or relieve the Contractor or a successor or successors to its manufacturing property and business from any of its obligations to rehabilitate and deliver the Equipment in accordance with the Specifications or to respond to its warranties, indemnities or other obligations whether contained herein or created by law, or relieve the Company of its obligations to the Contractor under this Agreement, which, according to their terms and context, are intended to survive an assignment; provided, however, that except as otherwise provided in this Agreement any security interest in each Group of the Equipment assigned hereunder shall forthwith cease and terminate upon payment to the Contractor or the assignee, as applicable, by the Company of the amounts payable with respect to such Group pursuant to Article 3 hereof and the Contractor and such assignee will execute and deliver all documents and instruments as the Company may reasonably request.

Upon any such assignment, either the assignor or the assignee shall give written notice to the Company, together with a counterpart or copy of such assignment, stating the

identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all the Contractor's right, title and interest in and to the rights, benefits and advantages of the Contractor thereby assigned subject only to such reservation as may be contained in such assignment. From and after the receipt by the Company of the notification of any such assignment, all payments thereafter to be made by the Company hereunder shall, to the extent so assigned, be made to the assignee in such manner as it may direct.

ARTICLE 9. Assignment by the Company. All or any portion of the rights, benefits or advantages of the Company under this Agreement, including, without limitation, (a) title to the materials utilized in the rehabilitation of the Equipment, (b) the right to accept delivery of the Equipment and to be named in the instrument of conveyance therefor to be delivered by the Contractor, (c) the right to receive any and all monies due or to become due to the Company in respect of the Equipment and for all claims for damages in respect of such Equipment arising as a result of any default by the Contractor or for indemnification under Article 6 hereof, and (d) all rights of the Company to perform under this Agreement and compel performance of the terms hereof, may be assigned by the Company and reassigned by any assignee at any time or from time to time. Upon any such assignment, either the assignor or the assignee shall give written notice to the Contractor, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee (if not otherwise stated in the assignment), and such assignee shall by virtue of such assignment acquire all the Company's right, title and interest in and to the rights, benefits and advantages of the Company thereby assigned subject only to such reservation as may be contained in such assignment.

ARTICLE 10. Defaults. In the event that any one or more of the following events of default shall occur and be continuing, to wit:

- (a) the Company shall fail to pay in full, when due and payable hereunder, any sum payable by the Company as herein provided for the Rehabilitation Cost of the Equipment and such failure shall continue for more than 10 days following the final date for such payment;
- or

(b) the Company shall, for more than 30 days after the Contractor shall have demanded in writing performance thereof, fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept or performed or to make provision satisfactory to the Contractor for such compliance; or

(c) the Company shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any unit of the Equipment;

then at any time after the occurrence of such an event of default under this Agreement the Contractor shall have the rights and remedies of a secured party provided in Article 9 of the Uniform Commercial Code as adopted by the State of Illinois, and, in addition, those provided in this Agreement.

In case the Contractor shall rightfully demand possession of the Equipment in pursuance of this Agreement upon an event of default and shall reasonably designate a point or points for the delivery of the Equipment to the Contractor, the Company shall forthwith and in the usual manner cause the Equipment to be moved to such point or points as shall be designated by the Contractor and shall there deliver the Equipment or cause it to be delivered to the Contractor, and, at the option of the Contractor, the Contractor may keep the Equipment on any lines or premises designated by the Contractor until the Contractor shall have leased, sold or otherwise disposed of the same. Additionally, the Company shall take such steps, upon the request of the Contractor, to confirm in the Contractor all right, title and interest of the Company in and to the materials owned by the Company and furnished to the Contractor but not yet paid for or purchased by the Contractor on behalf of the Company for utilization in the rehabilitation of the Hulks.

ARTICLE 11. Contractor's Representations and Warranties. The Contractor represents and warrants as follows:

(a) The Contractor is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Delaware, is duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of the Contractor require such qualification.

(b) The Contractor has full power, authority and legal right to carry on its business as now conducted, and is duly authorized and empowered to execute and deliver this Agreement and to fulfill and comply with the terms, conditions and provisions hereof; this Agreement has been duly authorized, executed and delivered and, assuming due authorization, execution and delivery thereof by the Company, constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(c) Neither the execution and delivery of this Agreement nor the consummation of the transactions herein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the certificate of incorporation (as amended) or the by-laws (as amended) of the Contractor or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Contractor is now a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Contractor or upon the Hulks or the units of Equipment pursuant to the terms of any such agreement or instrument.

(d) Neither the execution and delivery by the Contractor of this Agreement nor the consummation of the transactions herein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court, governmental instrumentality or arbitrator.

(e) No authorization or approval is required from any governmental or public body or authority in connection with the execution and delivery by the Contractor of this Agreement, or the fulfillment of or compliance with the terms, conditions and provisions hereof.

(f) The Contractor has not directly or indirectly offered or sold any interest in this Agreement or any securities to, solicited offers to buy any interest in

this Agreement or any securities from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any interest in this Agreement or securities with, any person so as to bring this transaction within the provisions of Section 5 of the Securities Act of 1933, as amended. The Contractor will not offer any interest in this Agreement or any securities to, or solicit any offer to buy any thereof from any other person or approach or negotiate with any other person in respect thereof, so as to bring this transaction within the provisions of Section 5 of said Securities Act.

ARTICLE 12. Article Headings. All article headings are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

ARTICLE 13. Effect and Modification of Agreement. This Agreement and the Schedules attached hereto exclusively and completely state the rights and agreements of the Contractor and the Company with respect to the rehabilitation of the Hulks and supersede all purchase agreements, purchase orders and other agreements, oral or written, with respect to the rehabilitation of the Hulks. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Company and the Contractor.

ARTICLE 14. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois.

ARTICLE 15. Successors and Assigns. As used herein the terms Contractor and Company shall be deemed to include the successors and assigns of the Contractor and the Company, as the case may be.

ARTICLE 16. Execution. This Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated for convenience as of the date specified in the introductory paragraph of this Agreement, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowl-

edgments hereto annexed.

ARTICLE 17. Immunities. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

It is expressly understood and agreed by and between the parties hereto, anything in this Agreement to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Company are each and every one of them made and intended not as personal representations, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding the said bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Agreement is executed and delivered by the said bank solely in the exercise of the powers expressly conferred upon the said bank as trustee under the Trust Agreement; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the said bank (except for the wilful misconduct or gross negligence of said bank), all such personal liability, if any, being expressly waived and released by the Contractor and by all persons claiming by, through or under the Contractor; provided, however, that the Contractor or any person claiming by, through or under the Contractor, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to

be hereunto affixed and duly attested, all as of the day,
month and year first above written.

ILLINOIS CENTRAL GULF RAILROAD
COMPANY,

[Corporate Seal]

by

J E Kohn
Vice President

Attest:

J B Goodrich
Secretary

THE CONNECTICUT BANK AND TRUST
COMPANY, not in its individual
capacity, but solely as Owner
Trustee,

[Corporate Seal]

by

Authorized Officer

Attest:

Authorized Officer

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 25TH day of April 1978, before me personally appeared G.E. KUNKER, to me personally known, who being by me duly sworn, says that he is a Vice President of ILLINOIS CENTRAL GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert H. Hughes

Notary Public

My commission expires NOV 23 1980

[NOTARIAL SEAL]

STATE OF CONNECTICUT,)
) ss.: Hartford
COUNTY OF HARTFORD,)

On this day of April 1978, before me personally appeared , to me personally known, who being by me duly sworn, says that he is an officer of THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Notary Public

My commission expires

[NOTARIAL SEAL]

SCHEDULE A

Quantity

Description

140

70-Ton Boxcars

SCHEDULE B

ILLINOIS CENTRAL GULF RAILROAD

General Specifications

70 Ton 50'-6" Box Cushion Underframe
Series ICG 592700-592999 (50 Cars)

Orig. Built - ACF - 1965

- Body - Welded Steel Construction
- Underframe - Welded Design
- Brakes - AB-1012 Auto Slack Adjuster
- Cushion Underframe (Hydraulic Unit) - ACF Freight Saver 20" Travel
- Draft Gear - High Capacity 3-1/4" Travel
- Doors - Side - 10'-0" Sliding Type Centered on Lat. Center Line of Car
- Lining - Side - 3/4" Plywood
- Lining - End - 3/4" Plywood
- Floors - 1-3/4" N.S.F.
- Inside Fixtures - 3-DF-2 Belt Rails, Adjacent Door, Lading Strap Anchors
- Trucks - 70 Ton Capacity - Ride Control or Barber S-2-C with 3-11/16" travel springs. Friction Bearings
- Wheels - 33" Diameter - One wear

Dimensions:

Length:	Between pulling Face of Couplers.....	57'-9-1/2"
	Over Strikers.....	55'-2"
	Over End Sills.....	50'-8-1/4"
	Inside - Between End Linings.....	50'-6-1/8"
	Center to Center Bolsters.....	40'-10"
	Truck Wheel Base.....	5'-8"
Width:	Over Side Plates.....	9'5-3/8"
	Over Side Sills.....	9'-11-5/8"
	Inside - Between Side Linings.....	9'-4-1/8"
Height:	Inside.....	10-5-1/2"
	Side Door Opening - Clear.....	9'-10-3/4"
	Rail to Top of Floor.....	3'-7-13/16"
	Rail to Center Line of Coupler.....	2'-10-1/2"

Estimated Light Weight: 64,200#
Cubic Capacity 4,941

Office of Mechanical Engineer
Date: March 31, 1978

Spec. 0-434-E

ILLINOIS CENTRAL GULF RAILROAD

General Specifications

70 Ton 50'-6" Box-Standard Underframe

ICG Series 562300-562922 (50 cars)

Orig. Built - Pull-Std. - 1967

Body	-	Welded Steel Construction
Underframe	-	Welded Design
Brakes	-	AB-1012 - Auto Slack Adjuster
Draft Gear	-	High Capacity 3-1/4" Travel
Doors - Side	-	10'-0" Sliding type centered on Lat. Center Line of Car
Lining - Side	-	3/4" Plywood
Lining - End	-	3/16" Steel Plate
Floors	-	1-3/4" N.S.F.
Inside Fixtures	-	9 Belt SL-2
Trucks	-	70 Ton Capacity - Ride Control or Barber S-2-C with 3-11/16" travel springs. Roller Bearings.
Wheels	-	33" diameter - One wear

Dimensions:

Length:	Between pulling face of couplers	55' 7"
	Over strikers	52' 11-1/2"
	Over endsills	50' 9-5/8"
	Inside - between end linings	50' 8-5/8"
	Center to center bolsters	40' 10"
	Truck wheel base	5' 8"
Width:	Over side plates	9' 11-5/8"
	Over side sills	9' 11-5/8"
	Inside - between side linings	9' 4-1/8"
	Side door opening	10' 0"
Height:	Inside	10' -6"
	Side door opening - clear	9' 11-1/4"
	Rail to top of floor	3' 7-7/8"
	Rail to center line of coupler	2' 10-1/2"

Estimated Light Weight: 62,700#

Cubic Capacity: 4,984

Office of Mechanical Engineer

Date: March 31, 1978

Spec. 0-436-E

ILLINOIS CENTRAL GULF RAILROAD

General Specifications

70 Ton 50'-6" Box Standard Underframe
ICG Series 568400-568899 (40 Cars)

Orig. Built - Pull-Std. - 1969

Body - Riveted and Welded Steel Construction
Underframe - Welded Design
Brakes - ABD-1012 - Auto Slack Adjuster
Draft Gear - High Capacity 3-1/4" Travel
Doors - Side - 10'-0" Sliding Type Centered on Lat. Center Line of Car
Lining - Side - 3/4" Plywood
Lining - End - 3/16" Steel Plate
Floors - 1-3/4" N.S.F.
Inside Fixtures - 4-DF-2 Belt Rails, Lading Strap Anchors
Trucks - 70 Ton Capacity - Ride Control with 3-11/16" travel springs. Roller Bearings
Wheels - 33" Diameter - One wear

Dimensions:

Length:	Between pulling face of couplers.....	55'-5-1/2"
	Over Strikers.....	52'-10"
	Over End Sills.....	50'-8-1/4"
	Inside - Between End Linings.....	50'-7-1/4"
	Center to Center Bolsters.....	40'-10"
	Truck Wheel Base.....	5'-8"
Width:	Over Side Plates.....	9'-11-5/8"
	Over Side Sills.....	9'-11-5/8"
	Inside - Between Side Lings.....	9'-4-1/8"
	Side Door Opening.....	10'-0"
Height:	Inside.....	10'-6"
	Side Door Opening - Clear.....	9'-10"
	Rail to Top of Floor.....	3'-7-5/16"
	Rail to Center Line of Coupler.....	2'-10-1/2"

Estimated Light Weight: 58,800#
Cubic Capacity 4,960

Office of Mechanical Engineer
Date: March 31, 1978

Spec. 0-439-E